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**FILED**

**AUG 16 2024**

**DEPT. OF REAL ESTATE**  
By- [REDACTED]

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8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of ) No. H-42854 LA  
13 )  
14 RENE CUAUHTEMOC GARCIA, ) ACCUSATION  
15 doing business as Express Home Loans, )  
16 Express Property Management Services, )  
17 Express Realty, Express Realty & Investments, )  
18 Express Realty & Property Management, )  
19 Rene Rick Garcia, and Rick Garcia, )  
20 Respondent. )  
21 )

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
23 State of California, for cause of Accusation against RENE CUAUHTEMOC GARCIA, doing  
24 business as Express Home Loans, Express Property Management Services, Express Realty,  
25 Express Realty & Investments, Express Realty & Property Management, Rene Rick Garcia,  
26 and Rick Garcia, (“Respondent”) is informed and alleges as follows:

27 1.

The Complainant, Veronica Kilpatrick, acting in her official capacity as a  
Supervising Special Investigator of the State of California, makes this Accusation against  
Respondent RENE CUAUHTEMOC GARCIA.

Accusation of RENE CUAUHTEMOC GARCIA

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All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

LICENSE HISTORY

3.

Respondent RENE CUAUHTEMOC GARCIA presently has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate broker.

BROKERAGE

RENE CUAUHTEMOC GARCIA

4.

At all times mentioned, in the City of Perris, County of Riverside, Respondent acted as a real estate broker, conducting licensed activities within the meaning of Code section 10131(b) (leases or rents real property for others).

AUDIT

RENE CUAUHTEMOC GARCIA

5.

On February 27, 2024, the Department of Real Estate ("Department") completed audit examinations of the books and records of Respondent pertaining to the activities described in Paragraph 4 which require a real estate license. The audit examinations covered a period of time from July 1, 2021, to June 15, 2023. The audit examinations revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Report SD220033 and the exhibits and workpapers attached to said audit report.

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1 6.

2 Respondent accepted or received funds in trust (“trust funds”). Thereafter,  
3 Respondent made deposits and or disbursements of such trust funds. During the examination  
4 period described in Paragraph 5 above, Respondent deposited or maintained trust funds in the  
5 following bank account:

6 Bank Account 1: Wells Fargo Bank account ending in 916.

7 AUDIT VIOLATIONS OF THE REAL ESTATE LAW

8 7.

9 In the course of activities described in Paragraph 4 above and during the  
10 examination periods described in Paragraph 5 above, Respondent acted in violation of the Code  
11 and the Regulations in that:

12 7(a) As of June 15, 2023, Respondent had a trust fund shortage in the amount  
13 of \$105,457.66 in Bank Account 1. Respondent did not have written consent from the owners  
14 of the trust funds to reduce the balance of trust funds to an amount less than the aggregate trust  
15 fund liabilities, in violation of Code section 10145 and Regulations section 2832.1.

16 7(b) Respondent did not maintain a complete and accurate control record or  
17 general ledger of all trust funds received and disbursed, in violation of Code section 10145 and  
18 Regulations section 2831.

19 7(c) Respondent did not maintain a complete and accurate separate record of  
20 all trust funds received and disbursed for each beneficiary in connection with Respondent’s  
21 broker activities, in violation of Code section 10145 and Regulations section 2831.1.

22 7(d) Respondent did not perform and maintain a monthly reconciliation of all  
23 the separate records with the control record of all trust funds received and disbursed, in  
24 violation of Code section 10145 and Regulations section 2831.2.

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1           7(e) Bank account 1 used by Respondent for trust funds was not designated as  
2 a trust account and was not in the name of Respondent as trustee or a fictitious name held by  
3 Respondent's real estate license as trustee, in violation of Code section 10145 and Regulations  
4 section 2832.

5           7(f) Respondent commingled his own money with trust funds in Bank  
6 Account 1, in violation of Code sections 10145 and 10176(e) and Regulations section 2835.

7           7(g) Respondent performed unauthorized disbursements from Bank  
8 Account 1, that were marked for "Corporate Account Express", in violation of Code  
9 sections 10145 and 10176(i).

10           7(h) Respondent used the unlicensed fictitious business names "Express  
11 Realty", in violation of Code section 10159.5 and Regulations section 2731. Respondent cured  
12 the violation on March 13, 2024.

13           7(i) On or about August 3, 2023, a subpoena was served to Respondent for  
14 the production of books and records related to the brokerage activities conducted by  
15 Respondent. Respondent failed to retain and make available for examination, copying, and  
16 inspection the books, accounts, and records related to Respondent's brokerage activities for the  
17 audit period, in violation of Code section 10148.

18           7(j) The conduct, acts, or omissions of Respondent, as described in  
19 Paragraph 7, in failing to ensure compliance of the Real Estate Law by Respondent's officers,  
20 agents and employees, is in violation of Regulations section 2725.

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1 8.

2 The conduct, acts, or omissions of Respondent, described in Paragraph 7 above,  
3 violated the Code and the Regulations as set forth below:

4 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
5 7(a)	Code section 10145 and Regulations section 2832.1
6 7(b)	Code section 10145 and Regulations section 2831
7 7(c)	Code section 10145 and Regulations section 2831.1
8 7(d)	Code section 10145 and Regulations section 2831.2
9 7(e)	Code section 10145 and Regulations section 2832
10 7(f)	Code sections 10145 and 10176(e) and 11 Regulations section 2835
12 7(g)	Code sections 10145 and 10176(i)
13 7(h)	Code section 10159.5 and Regulations section 2731
14 7(i)	Code section 10148
15 7(j)	Regulations section 2725

16 The foregoing violations constitute cause for the suspension or revocation of all  
17 the licenses, license endorsements, and license rights of Respondent under the Real Estate Law  
18 pursuant to the provisions of Code sections 10176(e), 10176(i), 10177(d), and/or 10177(g).

19 9.

20 Code section 10148(b) provides, in pertinent part, that the Real Estate  
21 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner  
22 has found in a final decision, following a disciplinary hearing, that the broker has violated Code  
23 section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

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Accusation of RENE CUAUHTEMOC GARCIA


10.

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses, license endorsements, and license rights of Respondent RENE CUAUHTEMOC GARCIA under the Real Estate Law, for the cost of audit, investigation, and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California

this 16 day of August, 2024

  
Veronica Kilpatrick  
Supervising Special Investigator

cc: RENE CUAUHTEMOC GARCIA  
Veronica Kilpatrick  
Sacto.  
Audits

Accusation of RENE CUAUHTEMOC GARCIA